



40 Wall Street – 9th Floor
New York, New York 10005

RECEIVED

JUN 01 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

John Lockhart
Regulatory Filings Technician
P & C State Filing Unit
CNA Global Specialty Lines
Telephone: 877-269-3277 x
3270
Facsimile: 212-440-2877
email john.lockhart@cna.com

May 29, 2009

Director of Insurance
Illinois Department of Financial and Professional Regulation
Division of Insurance
Property and Casualty Compliance Unit
320 W Washington Street
Springfield IL 62767

FILED

APR 15 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

RATE/RULE RE: American Casualty Company of Reading, PA NAIC No.: 20427 FEIN: 23-0342560 ✓
Healthcare Providers Services Organization Risk Purchasing Group
Medical Malpractice Rates Filing
Filing No.: 09-00025-FRL

Honorable Director:

On behalf of American Casualty Company of Reading, PA we hereby submit for your review and approval the captioned rates and rules for use with our Healthcare Providers Services Organization Program currently on file with your department.

Attached for your review are:

- the actuarial memorandum which outlines the changes proposed by this filing;
- revised CW manual pages;
- revised State exception pages,

We wish this filing to be applicable to all policies effective on or after July 15, 2009 for new business and on or after October 15, 2009 for renewals; or the earliest date permitted by your state.

Sincerely,

John Lockhart

John Lockhart

+ 5.6%

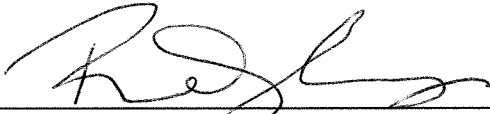
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Jeh

ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

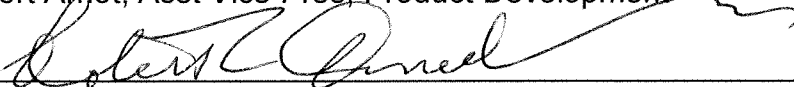
I, Robert Arnot, a duly authorized officer of American Casualty Company of Reading, PA, am authorized to certify on behalf of the company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

I, Robert Anderson, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of American Casualty Company of Reading PA making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.



Signature and Title of Authorized Insurance Company Officer
Robert Arnot, Asst Vice Pres, Product Development

5/22/09
Date



Signature and Title of Authorized Actuary
Robert Anderson ACAS Actuarial Consulting Director

5/22/09
Date

Insurance Company FEIN 23-0342560

Filing Number 09-00025-RL

Insurer's Address 40 Wall Street - 9th Fl

City New York, State NY Zip Code 10005

Contact Person's:

- Name and E-mail John Lockhart john.lockhart@cna.com

- Direct Telephone and Fax Number 212-440-3270 Fax 212-440-2877

R. E/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	09-00025-RL						
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	09-00025-F						
<input checked="" type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%)								
3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval						
4a.	Rate Change by Company (As Proposed)							
	Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
	ACCO	9.3%	5.6%	310,803	31,399	5,507,196	15.0%	0.0%
4b.	Rate Change by Company (As Accepted) For State Use Only							
	Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Overall Rate Information (Complete for Multiple Company Filings only)								
		COMPANY USE			STATE USE			
5a.	Overall percentage rate indication (when applicable)							
5b.	Overall percentage rate impact for this filing							
5c.	Effect of Rate Filing – Written premium change for this program							
5d.	Effect of Rate Filing – Number of policyholders affected							
6.	Overall percentage of last rate revision				0.4%			
7.	Effective Date of last rate revision				3/19/07			
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)				Prior Approval			
9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?					Previous state filing number, if required by state	
	01	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn						
	02	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn						
	03	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn						

Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, April 28, 2010 9:07 AM
To: 'Lockhart,John C.'
Subject: RE: American Casualty Co. of Reading PA - Filing #09-00025-FRL

Mr. Lockhart,

I will mark the submission as "filed" as of April 15, 2010. Thank you for your prompt attention to my inquiry.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Lockhart,John C. [mailto:John.Lockhart@CNA.com]
Sent: Wednesday, April 28, 2010 9:06 AM
To: Neuman, Gayle
Subject: RE: American Casualty Co. of Reading PA - Filing #09-00025-FRL

Ms. Neuman

Since we were awaiting completion of the review before putting the filing into effect, we now request 4/15/2010.
Thank you.

John Lockhart

*P & C State Filing Unit
CNA Global Specialty Lines
40 Wall Street, 9th Floor
New York, New York 10005
Phone: 212-440-3270
Fax: 312-260-4607*

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, April 28, 2010 10:01 AM
To: Lockhart,John C.
Subject: American Casualty Co. of Reading PA - Filing #09-00025-FRL

Mr. Lockhart,

The Department of Insurance has now completed its review of the filing referenced above. Originally, American Casualty requested the filing be effective July 15, 2009. Was the filing put in effect on July 15, 2009 or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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GAYLE.NEUMAN@ILLINOIS.GOV.

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If you received this message in error, please immediately notify the sender by reply e-mail and delete this message in its entirety.

Neuman, Gayle

From: Lockhart, John C. [John.Lockhart@CNA.com]
Sent: Wednesday, June 03, 2009 2:44 PM
To: Neuman, Gayle
Subject: RE: Filing #09-00025-FRL
Attachments: IL RF-3.pdf

We now attach RF-3 Summary Sheet. We will follow up with a hard copy which I will mail to you.

Thank you

JB Lockhart

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, June 03, 2009 3:19 PM
To: Lockhart, John C.
Subject: Filing #09-00025-FRL

Mr. Lockhart,

I am in receipt of the above referenced filing submitted with your letter dated May 29, 2009.

Please submit the RF-3 Summary Sheet.

Your prompt attention is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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6/3/2009

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 7/15/09 New - 10/15/09 Renewal

(1)	(2)	(3)
<u>Coverage</u>	<u>Annual Premium Volume (Illinois)*</u>	<u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>Medical Malpractice</u>	\$5,507,196	5.6%
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): _____

We are filing to change rates for Employed and Self-Employed Nurses, and add three new classes of business to our _____

Professional Liability product. Please see Actuarial Memorandum for details. _____

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

RECEIVED

JUN 03 2009

**STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS**

American Casualty Company of Reading, PA

Digitally signed by John C. Lockhart
DN: cn=John C. Lockhart, o=US, ou=CNA Insurance
Reason: Robert Anderson, ACAS
Location: CNA, 40Wall Street, 9th Floor, New York NY 10005-1401
Date: 2009.06.03 15:42:31 -0400
Robert Anderson, ACAS

Actuarial Consulting Director, Proprietary Rating

Official – Title

FILING # 09-00025-FRL

Lockhart, John C.

From: Neuman, Gayle [Gayle.Neuman@illinois.gov]
Sent: Wednesday, June 03, 2009 3:19 PM
To: Lockhart, John C.
Subject: Filing #09-00025-FRL

RECEIVED

JUN 08 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Mr. Lockhart,

I am in receipt of the above referenced filing submitted with your letter dated May 29, 2009.

Please submit the RF-3 Summary Sheet.

Your prompt attention is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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6/5/2009

American Casualty Company of Reading, PA
Healthcare Providers Service Organization
Professional Liability
Illinois
CNA Filing ID # 09-00025-RL

Actuarial Memorandum

American Casualty Company of Reading Pennsylvania (ACCO) is proposing a number of changes to its Healthcare Providers Service Organization program. The overall impact of these changes is 5.6%. We are requesting these changes be applicable to all new business effective on or after 7/15/2009 and renewal business effective on or after 10/15/2009. These changes are itemized below:

Changes to Countrywide Pages

1. Extended Reporting, Section XII – I. We have added the phrase “with ACCO” to the table of discounts. This is just meant to clarify that these discounts are only valid for policies written through ACCO. There is no rate impact for any insured.
2. Rules for Firms, Section XIX - E - 4. We have changed the language from “All ratable employees and the corporation may be provided separate limits” to “Separate limits are optional.” There is no rate impact for any insured.
3. ISO Classification Codes, Section XV. Descriptions have been added for the new classes of business we plan to write. Please see #2 in the section “Changes to State Pages” below.
4. Supplemental Modifications, Section XVIII C.
 - a. A comment has been added that policies are subject to a maximum credit of 50%. This change results in no premium impact.
 - b. Part-Time: We are enhancing the coverage to part-time insureds by offering full limits even if the part-time credit is applied.
 - c. Individual Risk Management Credit: We are adding the ability to receive this credit on an annual basis if the insured meets specified qualifications intended to encourage risk management and patient safety.
 - d. Damage to Property of Others: The current policy provides this coverage to both individuals and firms with basic limits of \$500/\$10,000 and \$2,500/\$10,000, respectively. Going forward we would like to offer the option of a \$25,000 aggregate limit for a flat charge of \$50. Also refer to section XIX – L for the Rule for Firms.

Changes to State Pages

1. Due to poor countrywide experience, we are proposing an increase to the base rate for registered nurses from \$98 to \$106 (+8.1%) for Employed Nurses and \$300 to \$345 (+15.0%) for Self-Employed Nurses. Please refer to the state rate page, section III, class III-A.
2. We are adding three new classes of business that are currently not underwritten by ACCO. Since these are new, we have no specific class experience upon which to base our rates. Therefore, rates were developed based on underwriter and actuarial judgment.

Please refer to the state rate page, section III.

- a. Clinical Nurse Specialists (CNS) with NO prescriptive authority (Class III-E)

These are trained nurses with a Masters degree who work with patients, similar to registered nurses, but are precluded from prescribing medications either by level of licensure or certification, or has chosen never to use such authority in their daily practice. Claims arising from the CNS's use of prescriptive authority will be specifically excluded. Therefore, this class will not have any additional exposure over a registered nurses and it will be given the same base rate as our registered nurses class (III-A).

b. Clinical Nurse Specialists WITH prescriptive authority

These are trained nurses with a Masters degree who work with patients, similar to nurse practitioners, and are licensed or certified for prescriptive authority and use such authority.

When a CNS provides 50% or more of their services to direct patient care, they are rated within their area of specialization same as our current nurse practitioners (class groups XI-A to D).

In this filing, we are adding a separate class (XI-F) for those CNS with prescriptive authority who provide less than 50% of their services to direct patient care, which is typical of nurses working in education, consulting, administration, or research. The base rate will be 25% lower than those NP's in rate class XI-A.

c. Registered Radiologist Assistant (Class XVI-E)

Radiologic Assistants act as an extender provider of the radiologist similar to that of a physician/physician assistant relationship. Therefore, this class will be charged the base rate of our physician assistant class 1 (XVI-A) respective of the territory.

3. Language has been added to clarify/reinforce our GL minimum for firms. Please refer to the state rate page, section III C. This has no rate impact on any insured.
4. State Endorsements, Section I. The list of student blanket endorsements has been added. Although these endorsements have been previously approved and in use, they were not explicitly mentioned in state pages.

A revised version of state exception pages, reflecting the changes outlined above are included with this submission.

Neuman, Gayle

From: Lockhart, John C. [John.Lockhart@CNA.com]
Sent: Tuesday, July 28, 2009 10:04 AM
To: Neuman, Gayle
Subject: RE: American Casualty Co of Reading, PA - Filing #09-00025-FRL

Dear Ms. Neuman:

We acknowledge your email dated July 22, 2009. Please note our following responses to the issues you raised.

1. In response to your question please note that our statistics are reported to the Insurance Services Office.
2. As we reviewed your issue we discovered that you are correct. We forgot to mention in our Actuarial Memorandum that the following had been removed.
XII., paragraph G. Premium must be paid promptly when due.
3. In response to your request please note that Extended Reporting Period (ERP) coverage is only issued on a claims made basis. So no occurrence rates are necessary.
4. In response to your comment please note that there are no territory factors per say. Class XVI is the only class where rates differ by territory. As implied by these rates, Cook, DuPage, Madison, and St. Clair counties have 21% higher rates than the Remainder of State.

Thank you for your continued review.

J. C. Lockhart
John Lockhart

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, July 22, 2009 3:15 PM
To: Lockhart, John C.
Subject: American Casualty Co of Reading, PA - Filing #09-00025-FRL

Mr. Lockhart,

I am reviewing the above referenced filing submitted by your letter dated May 29, 2009. Please address the following issues/questions:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. You provided an Actuarial Memorandum indicating the changes being made. All changes being made must be disclosed to the Department – otherwise they will not be deemed as "filed". I noticed under XII., paragraph G was removed. Please explain.
3. On page 1 of the State Pages, it states "mandatory on all claims-made policies" – is this coverage issued on an occurrence basis too? If so, where are the rates provided?
4. Please provide the territory factors. Do the territory factors only apply to Class XVI?

I request receipt of your response by July 31, 2009.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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7/28/2009

EXPENSE PROVISIONS & PERMISSIBLE LOSS RATIO

Registered Nurses

Countrywide

Premium Expenses

[1] Fixed Expense Ratio	3.2%
[2] Commission Rate	40.4%
[3] Premium Tax	2.0%
[4] Total Premium Expense Ratio [[1] + [2] + [3]]	45.6%

Permissible Loss Ratio

[5] Underwriting Profit Provision [a]	-1.2%
[6] Permissible Loss & LAE Ratio [1 - [4] - [5]]	55.6%
[7] ULAE (as a % of Loss & ALAE)	9.4%
[8] Permissible Loss & ALAE Ratio [[6] / {1 + [7]}]	50.8%

NOTES

[a] From CNA Rate Review.

COUNTRYWIDE ON-LEVEL LOSS & ALAE RATI

Registered Nurses

Amounts in \$000's

Loss Year	Current Level Earned Premium	Selected Ultimate Indemnity	Loss Cost Trend Factor	Trended Ultimate Indemnity	Selected Ultimate ALAE	ALAE Trend Factor	Trended Ultimate ALAE	Trended Ultimate Loss & ALAE	On-Level Loss & ALAE Ratio
[1]	[a]	[b]	[b]	[3]x[4]	[b]	[b]	[6]x[7]	[5]+[8]	[9]/[2]
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
1993	57,009	13,424	2.090	28,059	2,977	4.073	12,127	40,186	70.5%
1994	56,818	7,631	2.024	15,443	2,295	3.639	8,350	23,793	41.9%
1995	57,153	11,028	1.959	21,607	2,834	3.250	9,210	30,817	53.9%
1996	58,086	8,955	1.897	16,989	2,345	2.903	6,807	23,796	41.0%
1997	58,878	11,010	1.837	20,224	3,119	2.594	8,089	28,312	48.1%
1998	56,127	11,934	1.778	21,224	5,436	2.317	12,595	33,818	60.3%
1999	54,627	10,948	1.722	18,850	4,279	2.069	8,854	27,705	50.7%
2000	53,857	8,746	1.667	14,581	4,977	1.849	9,201	23,782	44.2%
2001	54,676	12,920	1.614	20,853	9,443	1.000	9,443	30,296	55.4%
2002	60,884	17,355	1.563	27,121	10,885	1.000	10,885	38,006	62.4%
2003	65,048	23,848	1.513	36,084	11,547	1.000	11,547	47,631	73.2%
2004	65,808	16,550	1.465	24,245	10,517	1.000	10,517	34,762	52.8%
2005	67,491	26,776	1.091	29,205	12,323	1.000	12,323	41,528	61.5%
2006	67,531	21,865	1.070	23,393	11,075	1.000	11,075	34,468	51.0%
2007	67,293	22,116	1.049	23,209	12,252	1.000	12,252	35,461	52.7%
Total/Avg	901,284	225,106			106,303			494,361	54.9%

Average On-Level Loss & ALAE Ratio

[11] All Years - Excl. High & Low	54.4%
[12] 8-Year Average: 2000 to 2007	56.9%
[13] 6-Year Average: 2001 to 2007 - Excl. 2003	55.9%
[14] 5-Year Average: 2002 to 2007 - Excl. 2003	56.0%
[15] 4-Year Average: 2004 to 2007	54.5%

Expected Loss & ALAE Rati

[16] Selected Loss & ALAE Ratio [c]	54.9%
[17] Large Loss Load	1.6%
[18] Countrywide Expected Loss & ALAE Ratio $[(16) \times (1 + (17))]$	55.7%

Rate Change Indication

[19] Permissible Loss & ALAE Ratio [f]	50.8%
[20] Indicated Rate Change $[(18) / (19) - 1]$	9.6%

NOTES

- [a] Based on individual policies re-rated at current rates.
- [b] From CNA Rate Review.
- [c] Judgmentally selected.

INDICATED & SELECTED RATE CHANGE

Registered Nurses

Employed

Amounts in \$000's

Loss Year	Current Level Earned Premium	Selected Ultimate Indemnity	Loss Cost Trend Factor	Trended Ultimate Indemnity	Selected Ultimate ALAE	ALAE Trend Factor	Trended Ultimate ALAE	Trended Ultimate Loss & ALAE	On-Level Loss & ALAE Ratio
[1]	[a]	[b]	[b]	[3]x[4]	[b]	[b]	[6]x[7]	[5]+[8]	[9]/[2]
	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
1998	55,052	13,191	1.778	23,459	5,417	2.317	12,550	36,009	65.4%
1999	53,712	10,753	1.722	18,515	4,077	2.069	8,438	26,952	50.2%
2000	51,823	8,462	1.667	14,108	4,599	1.849	8,501	22,609	43.6%
2001	51,013	11,039	1.614	17,818	7,491	1.000	7,491	25,309	49.6%
2002	54,214	15,571	1.563	24,334	9,390	1.000	9,390	33,724	62.2%
2003	57,568	19,715	1.513	29,831	9,208	1.000	9,208	39,039	67.8%
2004	58,449	15,231	1.465	22,314	9,043	1.000	9,043	31,356	53.6%
2005	58,793	22,328	1.091	24,353	10,128	1.000	10,128	34,481	58.6%
2006	58,321	19,923	1.070	21,315	10,041	1.000	10,041	31,356	53.8%
2007	57,913	19,132	1.049	20,078	10,299	1.000	10,299	30,377	52.5%
Total/Avg	556,858	155,347			79,693			311,212	55.9%

On-Level Loss & ALAE Ratio

[11] Selected Loss & ALAE Ratio [c]	55.0%
-------------------------------------	-------

Adjusted Loss & ALAE Ratio

[12] Number of Claims needed for Full Credibility [b]	1,082
[13] Ultimate Number of Incurred Claims [b]	4,066
[14] Credibility [SQRT([13] / [12]), capped at 100%]	100.0%
[15] Countrywide Expected Loss & ALAE Ratio - excl Large Loss Load [d]	54.9%
[16] Credibility-Weighted Loss & ALAE Ratio [[14] x [11] + {1 - [14]} x [15]]	55.0%
[17] Employed Expected Loss & ALAE Ratio - incl Large Loss Load [e]	55.9%

Rate Change Indication

[18] Permissible Loss & ALAE Ratio [f]	50.8%
[19] Indicated Rate Change [[17] / [18] - 1]	9.9%

NOTES

- [a] Based on individual policies re-rated at current rates.
 [b] From CNA Rate Review.
 [c] Judgmentally selected.
 [d] From Exhibit II, Sheet 1, Line [16].
 [e] [16] x (1 + Large Loss Load From Exhibit II, Sheet 1, Line [17])
 [f] From Exhibit I, Sheet 1, Line [8].

INDICATED & SELECTED RATE CHANGE

Registered Nurses

Self-Employed

Amounts in \$000's

Loss Year	Current Level Earned Premium	Selected Ultimate Indemnity	Loss Cost Trend Factor	Trended Ultimate Indemnity	Selected Ultimate ALAE	ALAE Trend Factor	Trended Ultimate ALAE	Trended Ultimate Loss & ALAE	On-Level Loss & ALAE Ratio
[1]	[a]	[b]	[b]	[3]x[4]	[b]	[b]	[6]x[7]	[5]+[8]	[9]/[2]
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
1998	928	25	1.778	44	19	2.317	45	89	9.6%
1999	745	195	1.722	336	201	2.069	416	752	100.9%
2000	1,841	284	1.667	473	379	1.849	700	1,173	63.7%
2001	3,448	1,838	1.614	2,967	1,891	1.000	1,891	4,858	140.9%
2002	6,122	1,759	1.563	2,749	1,479	1.000	1,479	4,228	69.1%
2003	6,578	3,595	1.513	5,440	1,819	1.000	1,819	7,259	110.4%
2004	6,303	1,920	1.465	2,813	1,433	1.000	1,433	4,246	67.4%
2005	7,436	4,198	1.091	4,579	2,165	1.000	2,165	6,744	90.7%
2006	7,890	1,942	1.070	2,078	1,032	1.000	1,032	3,110	39.4%
2007	8,107	2,811	1.049	2,950	1,829	1.000	1,829	4,779	58.9%
Total/Avg	49,398	18,568			12,247			37,238	75.4%

On-Level Loss & ALAE Ratio

[11] Selected Loss & ALAE Ratio [c]	71.6%
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Adjusted Loss & ALAE Ratio

[12] Number of Claims needed for Full Credibility [b]	1,082
[13] Ultimate Number of Incurred Claims [b]	305
[14] Credibility [SQRT([13] / [12]), capped at 100%]	53.1%
[15] Countrywide Expected Loss & ALAE Ratio - excl Large Loss Load [d]	54.9%
[16] Credibility-Weighted Loss & ALAE Ratio [[14] x [11] + {1 - [14]} x [15]]	63.7%
[17] Self-Employed Expected Loss & ALAE Ratio - incl Large Loss Load [e]	64.8%

Rate Change Indication

[18] Permissible Loss & ALAE Ratio [f]	50.8%
[19] Indicated Rate Change [[17] / [18] - 1]	27.4%

NOTES

- [a] Based on individual policies re-rated at current rates.
 [b] From CNA Rate Review.
 [c] Judgmentally selected.
 [d] From Exhibit II, Sheet 1, Line [16].
 [e] [16] x (1 + Large Loss Load From Exhibit II, Sheet 1, Line [17])
 [f] From Exhibit I, Sheet 1, Line [8].

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages shall govern the writing of Professional Liability policies for Healthcare Provider specialties described in Section XV below.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith, shall govern in all cases not specifically provided for herein.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

IV. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

V. WHOLE DOLLAR RULE

In the event the rating procedure does not result in a whole dollar:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- B. any amount involving \$.49 or less shall be rounded down to the next lower whole dollar amount.

VI. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

VII. RETURN PREMIUM

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

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File Date: 7/15/09
File Number: 09-00025

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

VIII. DECREASED LIMITS OF LIABILITY

When lower limits are offered, they will be provided on the following basis:

Limits of Liability	Decreased Limit Factor
\$100,000 / \$300,000	.64
\$100,000 / \$500,000	.65
\$200,000 / \$600,000	.69
\$250,000 / \$750,000	.71
\$200,000 / \$1,000,000	.71
\$500,000 / \$500,000	.76
\$500,000 / \$1,000,000	.79
\$500,000 / \$2,500,000	.83
\$1,000,000 / \$1,000,000	.94
\$1,000,000 / \$2,000,000	.95
\$1,000,000 / \$3,000,000	.96
\$1,000,000 / \$5,000,000	.98

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

IX. INCREASED LIMITS OF LIABILITY

When higher limits are offered, they will be provided on the following basis:

Limits of Liability	Increased Limit Factor	Minimum Premium
\$1,000,000 / \$7,000,000	1.02	\$25
\$1,000,000 / \$8,000,000	1.03	\$30
\$2,000,000 / \$4,000,000	1.15	\$40
\$2,000,000 / \$5,000,000	1.17	\$50
\$2,000,000 / \$6,000,000	1.18	\$65
\$2,000,000 / \$7,000,000	1.19	\$75
\$2,000,000 / \$8,000,000	1.20	\$80

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

X. POLICY CANCELLATIONS

Return premium will be computed pro-rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period.

XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would not be written otherwise.

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XII. EXTENDED REPORTING PERIOD COVERAGE (Claims Made Only)

If this policy is cancelled or non-renewed and subject to the following provisions, an extension period, for the purpose of reporting a claim, will be provided automatically for 60 days, and may be extended beyond that as governed by the following rules:

- A. The limits of liability may not exceed those afforded under the terminating policy.
- B. Extended Reporting Period Coverage will be available to the named insured shown on the certificate of insurance.
- C. Should the named insured terminate coverage under this policy, and desire Extended Reporting Period Coverage beyond the automatic 60 days, notice must be given to the Company, along with payment of the applicable premium, within 60 days.
- D. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
- E. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
 - 1. total and permanent disability occurs; or
 - 2. the named insured retires during the policy period and:
 - a. is 55 years of age or older and has been insured by this Company for at least 5 years of claims-made coverage; or
 - b. has been insured by us for at least 10 years of claims-made coverage.
- F. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.
- G. In the event the policy is canceled, any return premium due the named insured shall be credited toward the premium for Extended Reporting Period Coverage, if the named insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the named insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.
- H. There is no right to any extended reported period coverage if this policy is cancelled for non payment of premium, non compliance with any of the terms and condition of this policy or for any misrepresentation or omission in the application for this policy.
- I. Extended Reporting Period Coverage will be granted with the following discounts, subject to the Extended Reporting Provisions of the Policy and the following schedule:

Consecutive Years of Coverage with ACCO	Discount
10	Free
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- J. The factors in the following table shall be applied to the mature claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

XIII. PRIOR ACTS COVERAGE (Occurrence only)

The policy may be extended to provide prior acts coverage as follows:

- A. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims made policy, nor shall limits of liability exceed those of the claims-made policy or the occurrence policy to which the prior acts endorsement shall be applied.
- B. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table below to the current rate under this policy for limits of \$1,000,000/6,000,000 per occurrence.
- C. If the limit of liability under this coverage is other than \$1M/6M per occurrence, the premium developed under B above shall be adjusted by the appropriate increased or decreased limits factor.
- D. The premium will be charged annually, but calculated in advance:
 - 1. Determine the current premium under this policy for limits of \$1M/6M per occurrence;
 - 2. Enter the factor for the appropriate Prior Acts Period;
 - 3. Apply factor (s) successively for the desired number of years of Prior Acts;
 - 4. Apply the appropriate Increased/Decreased Limits Factor.

Prior Acts Period	1 st Year	2 nd Year	3 rd Year	Prepaid Factors
1 year prior	.47	.28	.26	0.94
2 years prior	.70	.43	.40	1.42
3 years prior	.81	.44	.46	1.64
4+ years prior	.87	.53	.50	1.76

XIV. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Some of the premium payment plans may result in a service fee of \$5 per payment.

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XV. ISO CLASSIFICATION CODES

Class	Description	ISO CODE
I	A Occupational Therapists	80721
	Occupational Therapy Assistant	80721
	Certified Occupational Therapy Assistant	80721
	B Respiratory Care Provider	80717
	Respiratory Therapist	80717
	C Respiratory Therapist Technician/Technologist	80717
	Chiropractic Assistant	80411
	Optometric Technician/Assistant	80944
	Podiatric Assistant	80943
<hr/>		
II	Description	ISO CODE
	Art Therapist	80967
	Dance Therapist	80967
	Music Therapist	80967
	Recreation Therapist	80945
<hr/>		
III	Class	ISO CODE
	A LPN/LVN	80963
	Registered Nurse	80964
	B Dietician	80720
	Nutritionist	80720
	C Bio-medical Technician/Technologist	80719
	Blood Bank Technician/Technologist	80719
	Cardiology Technician/Technologist	80719
	Certified Lab Technician/Technologist	80711
	Certified Medical Assistant	80719
	Clinical Lab Technician/Technologist	80711
	Community Health Assistant	80719
	Community Health Technician/Technologist	80719
	Diagnostic Medical Sonographer	80719
	Dialysis Technician/Technologist	80719
	EEG Technician/Technologist	80719
	EKG Technician/Technologist	80719
	Electrologist	80719
	Histologic Technician/Technologist	80719
	Medical Assistant	80719
	Medical Laboratory Technician/Technologist	80711
	Medical Records Administrator	80711
	Medical Records Technician/Technologist	80719
	Medical Technician	80719
	Medical Technician/Technologist Assistant	80719
	Medical Technologist	80719

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
III C	Mental Retardation Workers	80711
	Nuclear Medical Technician/Technologist	80719
	Phlebotomist	80719
	Radiation Therapist	80713
	Radiology Technician/Technologist	80719
	Surgical Technician/Technologist	80129
	X-Ray Machine Operator	80713
D	Home Health Aide	80618
E	Clinical Nurse Specialist-No Prescriptive Authority	80965
Class	Description	ISO CODE
IV A	Pharmacist	59112
	Pharmacy Technician	59112
	Pedorthist	80943
Class	Description	ISO CODE
V	Circulation Tech	80945
	Perfusionist	80945
Class	Description	ISO CODE
VI A	Massage Therapist	80718
	Enterostomal Therapist	80945
	Orthopedic Assistant	80943
Class	Description	ISO CODE
VII A	Athletic Trainer	80945
	Exercise Physiologist	80945
	Fitness Professional	80945
	Health Educator	80711
	Kinesiologist	80945
	Personal Trainer, Certified	80945
	Sports Medicine Instructor	80945
Class	Description	ISO CODE
VIII A	Paramedic	80723
	Basic / Intermediate Emergency Medical Technician	80723
	Volunteer Emergency Medical Technician	80723
Class	Description	ISO CODE
IX A	Physical Therapist	80995
	Rehabilitation Therapist	80995
	Kinesiotherapist	80945
	Sports Medicine Therapist	80945
	Corrective Therapist	80945
	Physical Therapist Assistant	80995
	Rehabilitation Assistant	80995

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**COMPANY PAGES FOR
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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
X	No specialties in this class	

Class	Description	ISO CODE
XI	Nurse Practitioners/Clinical Nurse Specialists	
A	Adult / Geriatric / Family Planning / Gynecology / Women's Health / Adult Oncology	80965
B	Psychiatric	80965
C	Pediatric / Neonatal / Family Practice / Acute Critical Care,	80965
D	Obstetrics / Gynecology / Perinatal / Acute Care Obstetrics,	80965
E	Nurse Practitioner Student	80965
F	Clinical Nurse Specialist - Educator, Consultant, Administrator and Researcher	80965

Class	Description	ISO CODE
XII	Audiologists	80716
	Speech Language Pathologist	80716
	Speech Hearing Therapist	80716

Class	Description	ISO CODE
XIII	Dental Hygienists	80712

Class	Description	ISO CODE
XIV	Dental Assistants	80712
	Laboratory Aide	80711
	Nurses Aide	80964
	Geriatric Nursing Assistant	80963
	Nursing Assistant	80963
	Physical Therapy Aide	80995
	Other Healthcare Aide (Excluding Home Health Aides)	80711

Class	Description	ISO CODE
XV	A Social Worker Clinical	80723
	B Psychotherapist / Psychologist	80723
	C Alcohol/Drug Counselor	80723
	Case Manager	72990
	Clinical/Rehabilitation Counselor	80723
	Pastoral Counselor	80723
	School Counselor	80723
	D Marriage/Family Counselor	80723

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
XVI	A Physician Assistant Class 1	80116
	A PA who performs tasks ordinarily reserved for the Physician and who works under the direction and supervision of a licensed physician to assist the physician in the management of patients.	
	B Physician Assistant Class 2	80116
	A PA who is involved in any of the following: Assisting in surgery (other than observation) Trauma/Emergency room procedures/responsibilities (10 hours or less per week) Prenatal or Postnatal care Assisting in anesthesiology	
	C Physician Assistant Class 3	80116
	A PA who is involved in any of the following: Orthopedic surgery OB/GYN Surgery Cardiovascular Surgery Thoracic Surgery Trauma/Emergency Room – Greater than 10 hours/week OB including delivery room responsibilities Exposure to Cardiac Catherization lab	
	D Physician Assistant Student	80116
	E. Registered Radiologist Assistant	80116

Class	Description	ISO Code
XVII	A Acupuncturist	80966
	B Acupuncturist Student	80966

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**COMPANY PAGES FOR
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XVI. CALCULATION OF PREMIUM

- A. The premium for the policy shall be the sum of the applicable charges developed below:
- B. If more than one classification is applicable, the higher rated classification will be used for rating.
- C. The annual occurrence form base rate for each Healthcare Provider is stated on the state rate page.
- D. The annual claims made form rate for each Healthcare Provider shall be determined for Classes I through XVI as follows:
1. If the Healthcare Provider is just entering practice, or the Healthcare Provider has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
 2. If the Healthcare Provider has been insured under a claims-made policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
 - a. determine the number of years in which the Healthcare Provider was covered under such claims-made policy (ies);
 - b. determine the number of years in which the Healthcare Provider was uninsured;
 - c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
 - d. the sum of years developed in c. above shall be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.

The factors in the following table shall be applied to the full time Class I though XVII rate, found on the State Page:

Class	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I through XVII	.32	.57	.77	.84	.99

XVII. SCHEDULE RATING

When applicable, apply the appropriate debit or credit based upon the following risk characteristics, subject to state specific limitations regarding on Schedule Rating:

	<u>CREDIT</u>	<u>DEBIT</u>
<i>Procedure Mix</i>	0 - 25%	0 - 25%
Applicable to insureds whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<i>Exposure Modification</i>	0 - 25%	0 - 25%
Applicable to those insureds who have an increased or reduced exposure.		
<i>Unusual Risk Characteristics</i>	0 - 25%	0 - 25%
<i>Continuing Education</i>	0 - 25%	0 - 25%
Applicable to insureds who are involved in a CNA approved continuing education program other than risk management programs.		

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XVIII. RULES FOR INDIVIDUALS

The following rules apply to eligible employed individuals and self employed non incorporated individuals only:

A. Coverage

The following coverage will be provided:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others;
9. Workplace Liability; and
10. Personal Liability.

B. The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	Each claim	\$ 6,000,000	aggregate
Good Samaritan Liability	\$	included in PL limit above		
Personal Injury Liability	\$	included in PL limit above		
Malplacement Liability	\$	included in PL limit above		
License Protection	\$ 10,000	per proceeding	\$ 25,000	aggregate
Defendant Expense Benefit	\$		\$ 10,000	aggregate
Deposition Representation	\$ 2,500	per incident	\$ 5,000	aggregate
Assault	\$ 10,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$		\$ 2,500	aggregate
Damage to Property of Others	\$ 500	per incident	\$ 10,000	aggregate
Personal Liability	\$		\$ 1,000,000	aggregate
Workplace Liability	\$	included in PL limit above		

C. Supplemental Modifications – Individuals

At no time will the total credit under this section exceed 50%.

1. New Healthcare Providers

A new Healthcare Provider is defined as a Healthcare Provider who has completed the training in their specialty within the previous twelve (12) months, and who is applying for coverage as a non-incorporated individual. The credit will be a 50% credit for the first year or 25% for nurse practitioners. If application of the credit results in a rate which is less than the rate for another specialty for which the Healthcare Provider is covered, the higher rate will apply without discount.

This credit is not available if the policy is issued as claims made.

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**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
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2. Additional Insureds

Where eligible, additional insured coverage may be added on a shared limit of liability basis. The rate will be 5% of the policy premium each, subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

3. Part Time

Individual Healthcare Provider who works 24 or fewer hours per week may be eligible for restricted coverage at a rate reduction of 50% subject to a minimum premium. Physician Assistants will be eligible for restricted coverage at a rate reduction of 35% subject to a minimum premium.

- a. When part time rates result in an amount that is less than \$100, the rate will be the lesser of either the individual's full time base rate or \$100.
- b. Part time rate is available to an employed individual who works 24 or fewer hours per week in a self-employed capacity for that individual's self-employed pursuits.
- c. The part time rate reduction is not available for nurse practitioners and may be further restricted by underwriting guidelines.

4. Retirement/Leave

An Individual Healthcare Provider who is not actively employed as a Healthcare Provider but maintains an active license may be eligible for restricted coverage at a rate reduction of 50%. The reduced rate may be applied retroactively to the first day of retirement/leave, on the condition that the Company is notified within ten (10) days of the retirement/leave. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. This credit will not apply to firms or self employed incorporated individuals.

5. Individual Risk Management Credit

A credit of 10% will be applied to the annual premium applicable to an individual Healthcare Provider who:

- a. attends a CNA approved loss prevention seminar, workshop, or other loss prevention program. Such credit will be applied for a three year period; or
- b. provides evidence of CNA approved; association membership, or achievement of healthcare specialization certification, or attendance at course work during an association or healthcare specialty conference/meeting - each intended to promote enhanced risk management practice and patient safety. Such credit will be eligible for annual application.

6. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Healthcare Provider's area of specialization.

7. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, managing a patient's total care to ensure optimum outcome or utilization review.

8. Damage to Property of Others

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XIX. RULES FOR FIRMS

The following rules are applicable to Firms. Firms include corporations, partnerships, organizations, sole proprietorship or self employed incorporated individuals.

A. Coverage

The following coverage will be provided to Firms on a shared limit of liability basis:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability	
Professional Liability	\$ 1,000,000 each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above	
Personal Injury Liability	\$ included in PL limit above	
Malplacement Liability	\$ included in PL limit above	
License Protection	\$ 10,000 per proceeding	\$ 25,000 aggregate
Defendant Expense Benefit	\$ 10,000 aggregate	
Deposition Representation	\$ 10,000 aggregate	
Assault	\$ 10,000 per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000 per person	\$ 100,000 aggregate
First Aid	\$ 2,500 aggregate	
Damage to Property of Others	\$ 2,500 per incident	\$ 10,000 aggregate

General Liability is available as an optional coverage.

C. Firm Rates & Policy Minimum

1. The base rate for each healthcare professional will be the higher of the self employed rate shown on the State Rate page or \$300 each.
2. The base rate for each aide, technician or assistant will be the higher of the self employed rate shown on the State Rate page or \$175.
3. The base rate for home healthcare aide will be \$100 each.
4. The following minimum premium per policy shall apply to all firm policies except self-employed incorporated individuals with no employees. For these individuals, the self employed individual rate as shown on the State Rate Page shall apply as the Minimum.

Nurse Practitioner Firm	\$ 2,500
Physical Therapy Firms of 15 or more	\$5,000

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All other Firms of 2 or more headcount

\$ 500

D. Full Time Equivalents (FTE)

For calculating headcount, where applicable, full time equivalents may be utilized for Firms. Full time is defined as 40 hours a week. The total number of hours per week for each profession will be divided by 40 to determine the number of full time equivalents for that profession.

The full time equivalent rule is subject to minimum policy premium and minimum headcount to FTE ratios.

E. Supplemental Modifications - Firms

1. Size of Business

A credit will be given based on the number of Healthcare Providers associated with the business. The following will be applied:

# of providers	Credit
2 - 9	4%
10 - 14	8%
15 or more	12%

2. Business Loss Prevention Credit

A credit of 5% will be applied to a firm who maintains a CNA approved loss prevention program, seminar or workshop for its employees. This credit will be applied for a one year period, and will be reviewed annually.

3. Debits will be added based on the presence of the following:

Category	Debit
Registry/Staffing	A surcharge of 25% of developed premium before debits/credits will be added to Firms that provide staffing to other facilities, firms or locations.
Background Check	A surcharge of 10% of developed premium before debits/credits will be added to Firms not performing background checks on their employees and independent contractors.
Nursing Home/Assisted Living/LTC	A surcharge of 25% of developed premium before debits/credits will be added to Firms that do more than 50% staffing of Nursing Home Facilities or Assisted Living Centers.
High Tech/Critical Care	A surcharge of 25% of developed premium before debits/credits will be added to Firms performing High Tech (i.e. Trach care, Ventilator care, Chemotherapy, etc.) or Critical Care.

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4. Separate Limits

Separate Limits are optional. When selected, the following debit structure is applied based upon the corresponding number of employees:

# of ratable employees	Debit
1	10.0%
2 - 9	12.0%
10 - 14	15.5%
15 or more	17.5%

F. General Liability

1. Optional General Liability coverage may be purchased by self-employed incorporated individuals or firms with a \$1,000,000 aggregate limit. The annual rate is stated on the state rate page for the first facility based practice location.
2. When a firm has multiple practice locations, and requests General Liability coverage, a \$50 charge per additional practice location will apply.
3. When a firm provides home healthcare, staffing or fitness, the annual rate will be 25% of the developed Professional Liability rate, subject to \$150 per policy minimum.
4. Other limits are available and associated with the following factors (which are with respect to the \$1M/\$1M rate).

Increased Limit	Increased Limit Factor
\$1,000,000 / \$1,000,000	1.00
\$1,000,000 / \$2,000,000	1.13
\$1,000,000 / \$3,000,000	1.21
\$1,000,000 / \$4,000,000	1.28
\$1,000,000 / \$5,000,000	1.33
\$1,000,000 / \$6,000,000	1.37
\$1,000,000 / \$7,000,000	1.39
\$1,000,000 / \$8,000,000	1.40
\$2,000,000 / \$4,000,000	1.98
\$2,000,000 / \$5,000,000	2.00
\$2,000,000 / \$6,000,000	2.01
\$2,000,000 / \$7,000,000	2.02
\$2,000,000 / \$8,000,000	2.03

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G. Deductibles

When deductible options are requested or required, the following credits should be applied to the developed policy premium. When General Liability is offered, the same deductible amount must be provided for both Professional Liability and General Liability.

Amount	Credit
\$0	0%
\$1,000	1%
\$2,500	2.5%
\$5,000	5%
\$10,000	10%
\$15,000	11%
\$20,000	13%
\$25,000	15%

H. Additional Insured

Where eligible, additional insured coverage may be added to the policy on a shared limits of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

I. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Consultant. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Firm's area of specialization.

J. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Case Manager. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, developing treatment plans or managing a patient's total care.

K. Medical Director or Administrator Liability

Medical Director or Administrator coverage may be added to the policy on a Sub-limit basis. The Limit of Liability for this coverage: \$100,000 Each Claim / \$300,000 Aggregate is a sub-limit of the Professional Liability Limit shown on the Certificate of Insurance. The rate for each Medical Director or Administrator will be \$500 or 10% of the base premium, whichever is higher. The Medical Director or Administrator Liability endorsement extends Professional Liability coverage to include Administrative Services provided by a Physician or other Administrator.

L. Damage to Property of Others

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.

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**STATE OF ILLINOIS
DEPARTMENT OF INSURANCE**

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XX. RULES FOR SCHOOL BLANKET

The following rules are applicable to the School Blanket Policy for Healthcare Provider Students
ISO Code: 80998.

A. Coverage

The following coverage will be provided to School Blanket on a shared limit of liability basis:

1. **Professional Liability** coverage for damages as a result of a claim arising out of a medical incident or personal injury out of the supplying of, or failure to supply services by a student or faculty and advisor of the named insured school; including vicarious liability for the school; includes **Personal Injury Liability**.
2. Grievance Proceedings
3. Defendant Expense Benefit
4. Deposition Representation
5. Assault
6. Medical Payments
7. First Aid
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	each claim	\$ 5,000,000	aggregate
Personal Injury Liability	\$ included in PL limit above			
Grievance Proceedings	\$ 1,000	per proceeding	\$ 10,000	aggregate
Defendant Expense Benefit			\$ 10,000	aggregate
Deposition Representation	\$ 1,000	per incident	\$ 5,000	aggregate
Assault	\$ 1,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$ 500	per incident	\$ 25,000	aggregate
Damage to Property of Others	\$ 250	per incident	\$ 10,000	aggregate

C. School Rates & Policy Minimum

1. Calculations will be made based on the estimated number of students (total annual headcount) in each of the covered curricula at the inception of the policy period.
2. Premium will be collected or returned for additions or deletions if the change modifies the student count by 25% or more when the change occurs during the first six months of the policy term. If the change occurs in the second half of the policy term, the policy will be reconciled at renewal.
3. A \$300 minimum annual premium shall apply to each School Blanket policy.

D. Supplemental Modifications – School Blanket

Modifications developed under the following shall be summed and applied as a single factor, subject to a maximum credit of 25%. Such credits shall apply on a one year basis, and will be subject to annual review.

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1. Claim-Free Credit

A 10% credit applies if there have been no claims reported to the Company during the past three policy periods and the Company has provided coverage during each of those policy periods.

2. Longevity Credit

At the inception of a fourth consecutive policy period, a 5% credit will be granted to a school that has been insured in this program for the three preceding years.

3. Size of School Modification

The following credits will be applied based on the number of students covered on the policy:

Number of Students	Credit
500 – 1,000	5%
1,001- 2,499	10%
2,500+	15%

E. Additional Insured

Additional insured requests for a landlord, government organization, charity or religious organization may be added to the policy on a shared limit of liability basis for no additional charge. Such additional insured shall be covered for their vicarious liability only as their interest appears.

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I. STATE ENDORSEMENTS

- A. Professional Liability
- | | | |
|----------------------|--------------|---------------------------------------|
| State Provisions | G-123846-C12 | Mandatory on all policies |
| State Amendments | G-123829-C12 | Mandatory on all policies |
| State Amendments-ERP | G-123812-A12 | Mandatory on all claims-made policies |
- B. Student Blanket
- | | | |
|----------------------|--------------|---------------------------------------|
| State Provisions | G-144931-A12 | Mandatory on all policies |
| State Amendatory | G-144932-A12 | Mandatory on all policies |
| State Amendatory-ERP | G-144933-A12 | Mandatory on all claims-made policies |

II. AMENDED RULES

- A. Rule XVII, Schedule Rating Plan, is amended by the addition of the following:

The maximum debit or credit to be applied under this plan shall be limited to 25%.

- B. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph H. is deleted in its entirety.
- C. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph J. is deleted in its entirety and replaced with the following:

- J. The factors in the following table shall be applied to the claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

- D. Rule XIV, Premium Payment Plan is deleted in its entirety and replaced with the following:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and

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- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;
- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

III. RATES

- A. All rates indicated below are for Professional Liability limits of \$1,000,000 each claim, with a \$6,000,000 annual aggregate.

CLASS	EMPLOYED	SELF-EMPLOYED
I A	79	220
B	93	312
C	93	260
II	93	312
III A	106	345
B	93	260
C	93	182
D	93	100
E	106	345
IV A	146	390
B	93	182
C	115	323
V	156	312
VI A	156	182
B	182	312
VII A	208	988
B	156	182
VIII A	166	239
B	151	217
C	78	78
IX A	164	467
B	83	234
X	---	---
XI A	717	884
B	1,012	1,251
C	1,309	1,616
D	1,607	1,985
E	275	N/A
F	538	663
XII	82	140
XIII	62	260
XIV	51	182
XV A	125	300
B	450	950
C	125	330
D	125	265

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III. RATES (Cont.)

Counties: Cook, DuPage, Madison, St. Clair

XVI	A	4,840	4,840
	B	6,050	6,050
	C	7,260	7,260
	D	156	N/A
	E	4,840	4,840

Remainder of State

XVI	A	3,998	3,998
	B	4,998	4,998
	C	5,997	5,997
	D	156	N/A
	E	3,998	3,998

XVII	A	731	731
	B	156	N/A

B. Student Rates

The rate for an individual healthcare student is \$29, except where otherwise specified in class rate schedule III. A.

C. General Liability

Base General Liability limits of \$1,000,000 for each claim, with a \$1,000,000 annual aggregate may be purchased for \$150 minimum base rate subject to the provisions of rule XIX. F.

D. Student Blanket

The rate is \$13 per student for all specialties at \$1,000,000/\$5,000,000 limit of liability.

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